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CITADEL

Group of Funds

Citadel Diversified Investment Trust

Citadel S-1 Income Trust Fund

Citadel HYTES Fund

Citadel SMaRT Fund

MYDAS Fund

Citadel Multi-Sector Income Fund

Series S-1 Income Fund

Citadel Income & Growth Fund

Income & Equity Index Participation Fund

Energy Plus Income Trust

Citadel Stable S-1 Income Fund

Sustainable Production Energy Trust

Equal Weight Plus Fund

MYDAS Fund

ANNUAL REPORT 2005

MYDAS Fund

MYDAS Fund (the “Fund” or “MYDAS”) is a closed-end investment trust which became listed on the Toronto Stock Exchange on February 14, 2002. The Fund has a termination date of June 30, 2007, or such earlier or later date as the unitholders may determine in accordance with the provisions of the Fund’s Declaration of Trust.

On November 15, 2005, the Fund’s units were split on a 2 for 1 basis, thus all per unit information has been restated to reflect the unit split. During 2005, the Fund paid monthly cash distributions of \$0.104 per unit for the first eleven months before increasing the monthly distribution to \$0.11 per unit in December 2005 for a total of \$1.254 per unit (2004 - \$1.248 per unit). In addition, MYDAS declared a special unit distribution of \$0.2397 per unit to unitholders of record on December 31, 2005, which was payable in units of the Fund. The unit distribution was immediately consolidated into the Fund’s previously issued and outstanding units, such that the effect of the unit distribution was to keep the Fund non-taxable in 2005. As a result of significant realized gains in 2005, the Fund allocated income in excess of distributions declared. The excess allocation resulted in an increase to the adjusted cost base of each unit.

INVESTMENT HIGHLIGHTS:

	2005	2004	2003
Net Asset Value per Unit ⁽¹⁾	\$ 15.73	\$ 15.16	\$ 13.78
Market Price per Unit ⁽¹⁾	\$ 14.62	\$ 14.59	\$ 13.10
Trading Premium (Discount)	(7.1%)	(3.7%)	(4.9%)
Cash Distributions per Unit	\$ 1.254	\$ 1.248	\$ 1.207
Trailing Yield ⁽²⁾	8.6%	8.6%	9.2%
Market Capitalization (\$ millions)	\$ 277.8	\$ 289.4	\$ 264.2

⁽¹⁾ Net asset value and market price per unit are based on year end values.

⁽²⁾ Trailing yield is based on the 12 months cash distributions declared in each year expressed as a percentage of year end market price.

Stock Symbol	MYF.un (TSX)
2005 High/Low	\$15.35 - \$13.00
2005 Cash Distributions	\$1.254 per unit
2005 Taxable % ⁽³⁾	99.1%
2005 Total Return ⁽⁴⁾	9.3%
2005 Management Expense Ratio	1.8%

⁽³⁾ Taxable percentage is based on all other taxable income, two-thirds of dividend income and one-half of capital gains expressed as a percentage of total distributions.

⁽⁴⁾ Total return is based upon the Fund’s change in market price plus the reinvestment of cash distributions in additional units of the Fund.

Management Report of Fund Performance

(April 6, 2006)

This annual report includes both the annual management report of fund performance, containing financial highlights, and the complete annual financial statements of MYDAS Fund (the “Fund” or “MYDAS”).

Unitholders may contact us by calling toll-free 1-877-261-9674 or by visiting our website at www.citadelfunds.com to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGIES

MYDAS’ investment objectives are to maximize total returns by seeking to provide unitholders with stable, tax effective distributions and to return the invested capital at the end of the Fund’s life. In order to achieve these objectives, the Fund’s investment manager actively manages a diversified portfolio of oil & gas royalty trusts, real estate investment trusts, income funds, limited partnerships, Canadian high yielding investment grade debt and income yielding equity securities.

RISK

There are a number of risks associated with an investment in MYDAS. The principal risks include, but are not limited to, market and income risk. Market risk is the exposure to market price changes in the securities held within the portfolio which have a direct effect on the net asset value of the Fund. Income risk arises from a number of factors related to the operational performance of the issuers of the securities held in the Fund’s portfolio. These risks include the effects of fluctuations in commodity prices, foreign currency conversion rates and interest rates and include general business operation risks, any of which may affect the issuers’ income and as a result reduce distributions to its unitholders and the value of its units. Diversification and active management by the Fund’s investment manager of the securities held in the portfolio may reduce these risks. During 2005, the Fund increased its weighting in the oil & gas royalty trusts as commodity prices rose and decreased its weighting in interest rate sensitive real estate investment trusts (“Reits”), power generation and pipeline / energy investments as interest rates climbed throughout the year. Also the Fund disposed of holdings of a number of issuers that had become overvalued in the opinion of the Fund’s investment manager.

RESULTS OF OPERATIONS

MYDAS Fund’s total net assets declined from \$300.6 million at December 31, 2004 to \$298.8 million at December 31, 2005 despite strong performance from its oil and gas royalty trusts. Offsetting the oil and gas valuation increases were significant unit repurchases and valuation declines in other sectors. As a result of the accretive effect of unit repurchases at discounts to net asset value at greater than 5%, the Fund’s net asset value closed the year at \$15.73 per unit up from \$15.16 per unit at the end of 2004. On November 15, 2005, the Fund completed a unit split on a 2 for 1 basis and as a result all per unit information has been restated to reflect the unit split.

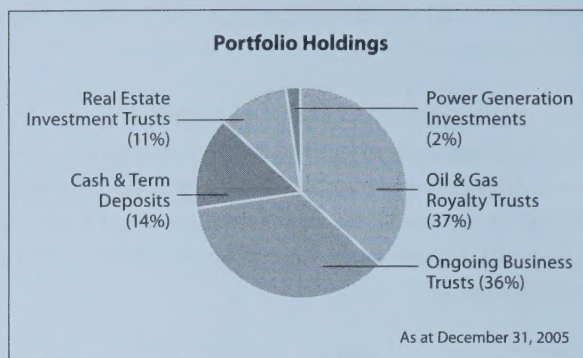
The Fund’s market price was also steady throughout the year, closing 2005 at \$14.62 per unit, up slightly from \$14.59 at the end of 2004. MYDAS’ change in unit price plus monthly cash distributions produced a 9.3% total return for 2005, while the Fund generated an 13.2% total return on a net asset value basis. By comparison, the S&P/TSX Income Trust Index increased by 31.0% in 2005.

The Fund’s total revenue for 2005 was \$28.4 million compared to \$24.3 million for 2004. Higher revenues in 2005 were the result of enhanced weightings in the higher yielding oil and gas trust sector compared to the prior year. Administrative and investment manager fees which totaled \$3.3 million in 2004 increased to \$3.5 million in 2005 due to a higher average net asset value in 2005. Similarly, trailer fees of \$1.1 million for 2004 increased to \$1.2 million in 2005. General and administration costs, including other expenses, decreased to \$0.48 million in 2005 from \$0.51

million in 2004. After total expenses of \$5.2 million in 2005 (2004 - \$4.9 million), net investment income was \$23.2 million or \$1.19 per unit in 2005 compared to \$19.4 million or \$0.98 per unit in 2004.

During 2005, MYDAS paid total cash distributions of \$24.3 million or \$1.254 per unit compared to \$24.8 million or \$1.248 per unit in 2004 on a post 2 for 1 split basis. In addition, the Fund declared a special unit distribution of \$0.2397 per unit at December 31, 2005. The unit distribution was immediately consolidated into the Fund's previously issued and outstanding units, such that the effect of the unit distribution was to keep the Fund non-taxable in 2005.

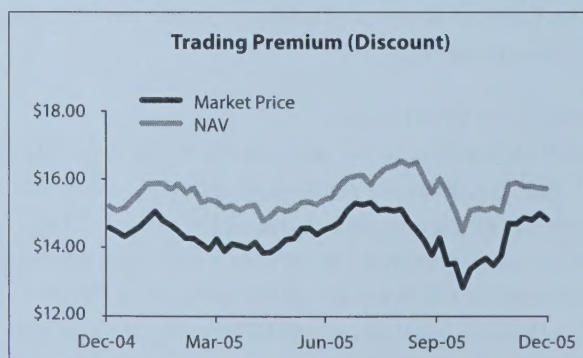
The Fund made significant changes to its portfolio during 2005, realizing capital gains of \$24.8 million compared to \$10.3 million in 2004. Offsetting these gains were unrealized losses on the Fund's portfolio of \$13.3 million for the year compared to gains of \$22.3 million in 2004. As a result of the unrealized losses experienced in the year, total results of operations fell to \$34.6 million or \$1.78 per unit in 2005 compared to \$52.0 million or \$2.62 per unit in the prior year.



During 2005, the Fund increased its exposure to the oil and gas trusts and the ongoing business trusts while reducing or eliminating its investments in the more interest rate sensitive real estate investment trusts, power generation and pipeline/energy sectors. The Fund's portfolio mix was not optimal in 2005. As compared to the sector weightings of the S&P/TSX Income Trust Index, the Fund was underweight the strong performing energy and Reit sectors. The Fund's investment manager increased the Fund's exposure to the energy sector in 2005 but not to the extent of the energy sector weighting in the Index. The investment manager also chose to underweight Reits, pipeline and power generation investments in order to mitigate the negative effects of an increasing interest rate environment. As a result of a combination of the Fund's cash position, its underweight position in energy and Reits relative to the Index and its position in a number of underperforming business trusts, the Fund's performance trailed the Index.

TRADING PREMIUM / DISCOUNT TO NET ASSET VALUE

For 2005, MYDAS' unit price traded at an average discount to net asset value of 7.7% compared to an average discount of 4.9% in 2004. During the year, the Fund repurchased 962,374 units at an average cost of \$14.63 per unit (2004 - 651,794 units at an average cost of \$13.43 per unit) for cancellation under its mandatory repurchase program. Under its mandatory repurchase program, MYDAS is obligated to repurchase units offered for sale at a discount to net asset value of greater than 5%.



RECENT DEVELOPMENTS

The current combination of a strong Canadian economy, low inflation, high commodity prices and relatively low interest rates provide a favorable environment and a positive outlook for the income trust sector. MYDAS expects to maintain its recently increased monthly distribution rate of \$0.11 per unit (previously \$0.104 per unit) for 2006 based upon the Fund's current portfolio and analysts' estimates of distributions. The Fund also holds a significant cash position, which the Fund's investment manager is seeking to deploy as opportunities arise.

FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements that involve substantial known and unknown risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations, including the Canadian Income Tax Act, fluctuations in interest rates, commodity prices and foreign exchange, stock market volatility, and market valuations of income and royalty trusts. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurances can be given that any of these events anticipated by the forward looking statements will transpire or occur, or if any of them do, what benefits, including the amount of proceeds, that we will derive therefrom.

RELATED PARTY TRANSACTIONS

MYDAS Management Inc. is the administrator of MYDAS, which is a member of the Citadel Group of Funds. CIFSG Funds Inc. provides administrative services to the administrators of the Citadel Group of Funds on a cost recovery basis. All non-fund specific costs are allocated among the Citadel Group of Funds on a relative net asset value basis.

Pursuant to the administrative services agreement, administrative and investment management fees are based upon 1.1% of the average weekly net asset value of the Fund, payable in cash monthly in arrears. The administrator is also reimbursed for all general and administrative expenses that relate to the operation of the Fund.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance for the past 4 years. This information is derived from the Fund's audited annual financial statements.

Net Asset Value per Unit

	2005	2004	2003	2002 ⁽¹⁾
NAV, beginning of year	\$ 15.16	\$ 13.78	\$ 12.29	\$ 11.81
Increase (decrease) from operations:				
Total revenue	1.46	1.22	1.34	0.97
Total expenses	(0.27)	(0.24)	(0.22)	(0.18)
Realized gains (losses)	1.27	0.52	0.44	0.06
Unrealized gains (losses)	(0.68)	1.12	1.15	0.47
Total increase (decrease) from operations	1.78	2.62	2.71	1.32
Distributions:				
From net investment income	1.22	1.13	1.21	0.84
From capital gains	0.03	0.12	—	—
Total annual distributions	1.25	1.25	1.21	0.84
NAV, end of year	\$ 15.73	\$ 15.16	\$ 13.78	\$ 12.29

⁽¹⁾ The Fund commenced operations on February 14, 2002.

Net asset value ("NAV") and cash distributions are based on the actual number of units outstanding at the time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This schedule is not a reconciliation of NAV since it does not reflect unitholder transactions as shown on the Statement of Changes in Net Assets and accordingly columns may not add.

At the end of 2005, the Fund declared a special unit distribution which is not reflected above. The unit distribution was immediately consolidated into the previously issued and outstanding units of the Fund and as a result there was no impact to the net asset value per unit.

Ratios and Supplemental Data

	2005	2004	2003	2002
Net assets (\$000's)	\$ 298,827	\$ 300,633	\$ 277,871	\$ 246,023
Number of units outstanding	18,998,965	19,834,658	20,164,192	20,024,092
Management expense ratio	1.77%	1.76%	1.73%	1.47%
Portfolio turnover ratio	47.41%	19.24%	16.21%	12.41%
Trading expense ratio	0.15%	0.06%	0.04%	0.12%
Closing market price	\$ 14.62	\$ 14.59	\$ 13.10	\$ 12.15

Management expense ratio is based on total expenses for the period and is expressed as an annualized percentage of weekly average net assets during the period.

Portfolio turnover ratio is based on the lesser of cost of purchases or proceeds of disposition and is expressed as a percentage of the monthly average portfolio value.

Trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net assets during the period.

MANAGEMENT FEES

Pursuant to the administrative services agreement, administrative and investment management fees are based upon 1.1% of the average weekly net asset value of the Fund, payable in cash monthly in arrears. Bloom Investment Counsel, Inc., as investment manager to the Fund, provides investment management services to the Fund in exchange for its share of the management fee. These fees represent payment for the administrative and investment management services provided to the Fund.

PAST PERFORMANCE

MYDAS's performance numbers from inception in February 2002 to December 31, 2005 are based upon the Fund's change in market price plus the reinvestment of all distributions in additional units of the Fund. The Fund's historical performance does not necessarily indicate how it will perform in the future.

ANNUAL COMPOUND RETURNS

In the table below are the annual compound returns for the periods ended December 31, 2005 for MYDAS based on market price and net asset value with comparison to the S&P/TSX Capped Income Trust Index.



	1 Year	3 Year	Since inception
MYDAS Fund (market price)	9.3%	16.7%	13.9%
MYDAS Fund (net asset value)	13.2%	19.1%	17.7%
S&P/TSX Capped Income Trust Index	31.0%	31.9%	27.7%

SUMMARY OF INVESTMENT PORTFOLIO

The Fund's portfolio as at December 31, 2005 and 2004 consisted of the following subgroups:

	2005	2004
Oil & Gas Royalty Trusts	37.3%	23.3%
Ongoing Business Trusts	36.2%	35.2%
Real Estate Investment Trusts	11.0%	17.1%
Power Generation Investments	1.5%	4.8%
Pipeline / Energy Investments	–	9.3%
MYDAS units (repurchased for cancellation)	0.1%	–
Cash and Term Deposits	13.9%	10.3%
Total Investments	100.0%	100.0%

The top 25 holdings as at December 31, 2005 based on market value:

Acclaim Energy Trust	4.4%	AG Growth Income Fund	2.3%
NAL Oil and Gas Trust	3.9%	Keystone North America Income Fund	2.1%
Baytex Energy Trust	3.8%	IPC U.S. Commercial Reit	2.1%
Harvest Energy Trust	3.5%	Great Lakes Carbon Income Fund	2.0%
Esprit Energy Trust	3.3%	Arctic Glacier Income Fund	2.0%
Shiningbank Energy Income Fund	3.2%	Morneau Sobeca Income Fund	2.0%
Viking Energy Royalty Trust	3.1%	Cineplex Galaxy Income Fund	2.0%
TransForce Income Fund	2.7%	Retirement Residences Reit	1.9%
KCP Income Fund	2.6%	Enerplus Resources Fund	1.9%
Paramount Energy Trust	2.6%	Summit Reit	1.8%
Innvest Reit	2.5%	ARC Energy Trust	1.8%
Trilogy Energy Trust	2.3%	Thunder Energy Trust	1.7%
Medical Facilities Corp	2.3%	% of Total Portfolio	63.8%

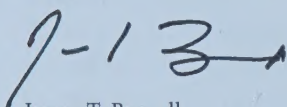
Management's Responsibility Statement

The financial statements of MYDAS Fund have been prepared by MYDAS Management Inc. ("MMI") and approved by the Board of Directors of MMI. MMI is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

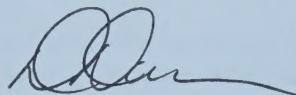
MMI maintains appropriate procedures to ensure that relevant and reliable financial information is produced. These statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgments. The significant accounting policies applicable to the Fund are described in Note 2 to the financial statements.

The Board of Directors of MMI is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements. The Board carries out this responsibility through the Audit Committee, which is comprised of the independent directors of the Board.

The Audit Committee on behalf of MMI and its Board of Directors has appointed the external audit firm of PricewaterhouseCoopers LLP. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. The auditors have full and unrestricted access to the Audit Committee to discuss their findings.



James T. Bruvall
Chief Executive Officer
MYDAS Management Inc.
April 6, 2006



Darren K. Duncan
Chief Financial Officer
MYDAS Management Inc.

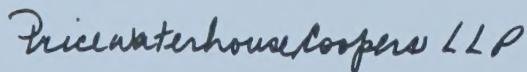
Auditors' Report to Unitholders

To the Unitholders of MYDAS Fund

We have audited the statements of net assets and investments of MYDAS Fund as at December 31, 2005 and 2004, and the statements of operations and changes in net assets for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of management of the Fund's Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Fund as at December 31, 2005 and 2004 and the results of its operations and the changes in its net assets for the years ended December 31, 2005 and 2004 in accordance with Canadian generally accepted accounting principles.



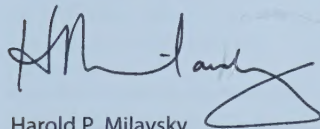
Chartered Accountants
Calgary, Alberta
March 10, 2006

Statement of Net Assets

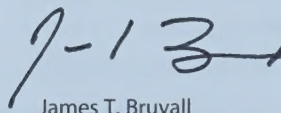
As at December 31,	2005	2004
Assets		
Investments, at market	\$ 256,968,418	\$ 269,995,160
Cash and term deposits	41,517,421	30,987,578
Revenue receivable	2,620,420	1,891,497
Accounts receivable	96,366	102,929
Receivable from investments sold	24,110	-
Prepaid expenses	6,304	6,471
	301,233,039	302,983,635
Liabilities		
Accounts payable and accrued liabilities	284,987	287,603
Payable for investments purchased	31,038	-
Distributions payable	2,089,886	2,062,804
	2,405,911	2,350,407
Net Assets representing Unitholders' Equity	\$ 298,827,128	\$ 300,633,228
Units outstanding (note 3)	18,998,965	19,834,658
Net asset value per unit	\$ 15.73	\$ 15.16

see accompanying notes

Signed on behalf of the Board,



Harold P. Milavsky
Chairman of the Board



James T. Bruvall
Director and Chief Executive Officer

Statement of Operations

Years Ended December 31,	2005	2004
Revenue		
Distribution income	\$ 27,627,105	\$ 23,186,103
Interest income	747,878	1,142,363
	28,374,983	24,328,466
Expenses		
Administrative and investment manager fees (note 4)	3,535,982	3,298,574
Trailer fee (note 5)	1,188,198	1,123,771
General and administration costs	254,650	226,493
Directors' fees	83,137	79,942
Reporting costs	61,242	103,758
Custodial fees	29,559	48,396
Audit fees	23,655	22,822
Trustee fees	21,707	20,133
Legal fees	7,096	13,476
	5,205,226	4,937,365
Net investment income	23,169,757	19,391,101
Net realized gain on sale of investments (note 6)	24,761,620	10,298,809
Net change in unrealized gain (loss) on investments	(13,283,875)	22,278,344
Total results of operations	\$ 34,647,502	\$ 51,968,254
Results of operations per unit ⁽¹⁾		
Net investment income	\$ 1.19	\$ 0.98
Net realized gain on sale of investments	1.27	0.52
Net change in unrealized gain (loss) on investments	(0.68)	1.12
	\$ 1.78	\$ 2.62

⁽¹⁾ Based on the weighted average number of units outstanding.

see accompanying notes

Statement of Changes in Net Assets

Years Ended December 31,	2005	2004
Net Assets – beginning of year	\$ 300,633,228	\$ 277,871,263
Operations:		
Net investment income	23,169,757	19,391,101
Net realized gain on sale of investments	24,761,620	10,298,809
Net change in unrealized gain (loss) on investments	(13,283,875)	22,278,344
	34,647,502	51,968,254
Unitholder Transactions:		
Issuance of trust units, net	6,464,508	4,369,092
Repurchase of trust units	(14,076,860)	(8,756,096)
	(7,612,352)	(4,387,004)
Distributions to Unitholders: (note 7)		
From net investment income	(23,775,412)	(22,536,390)
From capital gains	(5,065,838)	(2,282,895)
	(28,841,250)	(24,819,285)
Net Assets – end of year	\$ 298,827,128	\$ 300,633,228
Distributions per unit	\$ 1.4937	\$ 1.248

see accompanying notes

Statement of Investments

	December 31, 2005				December 31, 2004			
	Number of Units Held	Cost	Market Value	% of Market	Number of Units Held	Cost	Market Value	% of Market
Oil & Gas Royalty Trusts								
Acclaim Energy Trust	694,500	\$ 7,090,447	\$ 13,160,775		968,920	\$ 9,892,118	\$ 13,952,448	
ARC Energy Trust	200,000	2,419,820	5,298,000		900,000	10,889,190	16,110,000	
Baytex Energy Trust	640,000	9,179,829	11,328,000		-	-	-	
Enerplus Resources Fund	100,000	2,533,518	5,586,000		150,000	3,800,276	6,540,000	
Esprit Energy Trust	740,000	9,075,240	9,960,400		330,000	4,008,050	4,088,700	
Harvest Energy Trust	280,546	4,208,833	10,433,506		277,500	4,138,920	6,368,625	
NAL Oil and Gas Trust	650,000	8,696,350	11,752,000		-	-	-	
Paramount Energy Trust	350,000	5,782,431	7,759,500		500,000	6,143,536	7,970,000	
Shiningbank Energy Income Fund	330,000	6,559,247	9,619,500		200,000	2,840,000	4,298,000	
Thunder Energy Trust	434,000	5,221,020	5,208,000		-	-	-	
Trilogy Energy Trust	290,000	4,586,580	6,902,000		-	-	-	
Vermilion Energy Trust	175,000	2,467,500	5,204,500		275,000	3,877,500	5,533,000	
Viking Energy Royalty Trust	1,000,000	6,782,150	9,200,000		800,000	5,391,950	5,400,000	
		74,602,965	111,412,181	37.3%		50,981,540	70,260,773	23.3%
Ongoing Business Trusts								
AG Growth Income Fund	420,000	5,670,000	6,720,000		-	-	-	
Advanced Fiber Technologies Income Fund	-	-	-		425,000	4,250,000	2,520,250	
Arctic Glacier Income Fund	560,000	5,508,200	6,048,000		460,000	4,370,000	5,520,000	
Atlas Cold Storage Income Trust	-	-	-		1,475,400	10,087,780	8,262,240	
The Brick Group Income Fund	519,000	5,237,748	4,831,890		519,000	5,190,000	7,245,240	
CML Healthcare Income Fund	-	-	-		520,000	5,578,040	6,942,000	
Chemtrade Logistics Income Fund	400,000	5,612,405	4,276,000		253,800	3,441,335	5,152,140	
Cineplex Galaxy Income Fund	400,000	5,362,327	5,840,000		-	-	-	
Colabor Income Fund	375,000	3,750,000	4,252,500		-	-	-	
Custom Direct Income Trust	395,000	3,950,000	3,890,750		395,000	3,950,000	4,542,500	
Davis + Henderson Income Fund	200,000	2,105,759	4,638,000		500,000	5,264,397	11,350,000	
E.D. Smith Income Fund	263,900	2,792,482	2,639,000		-	-	-	
Great Lakes Carbon Income Fund	600,000	6,392,485	6,060,000		481,000	4,904,985	5,194,800	
KCP Income Fund	850,000	8,782,626	7,820,000		491,100	4,866,790	5,569,074	
Keystone North America Income Fund	700,000	5,714,815	6,265,000		-	-	-	
Livingston International Income Fund	-	-	-		200,000	2,076,143	4,490,000	
Medical Facilities Corporation	590,000	6,739,619	6,755,500		-	-	-	
Morneau Sobeca Income Fund	485,000	4,978,561	5,941,250		-	-	-	
New Flyer Industries Inc.	525,400	5,083,872	4,938,760		-	-	-	
PRT Forest Regeneration Income Fund	307,900	2,876,968	3,109,790		545,100	5,093,327	5,140,293	
Richards Packaging Income Fund	421,800	4,232,366	3,775,110		-	-	-	
Rogers Sugar Income Fund	1,080,600	4,682,290	3,998,220		1,475,000	6,391,244	6,637,500	
SFK Pulp Fund	-	-	-		800,000	7,573,791	5,800,000	
Spinrite Income Fund	408,300	4,404,597	2,547,792		-	-	-	
Sun Gro Horticulture Income Fund	614,200	6,142,000	4,145,850		614,200	6,142,000	5,005,730	
Swiss Water Decaffeinated Coffee Income Fund	220,600	2,668,376	1,709,650		202,800	2,028,000	3,062,280	
TransForce Income Fund	468,152	3,925,246	7,986,673		560,000	4,494,500	8,528,800	
Yellow Pages Income Fund	-	-	-		375,000	4,218,750	5,058,750	
		106,612,742	108,189,735	36.2%		89,921,082	106,021,597	35.2%
Real Estate Investment Trusts								
Firm Capital Mortgage Investment Trust	-	-	-		113,800	1,239,613	1,354,220	
Huntingdon Reit	1,600,000	4,400,000	4,400,000		-	-	-	
Innvest Reit	600,000	6,836,991	7,524,000		-	-	-	
IPC U.S. Commercial Reit	550,000	5,335,275	6,248,000		550,000	5,335,275	5,830,000	
Morguard Reit	316,300	2,754,620	3,479,300		316,300	2,754,620	3,257,890	
Northern Property Reit	-	-	-		300,000	3,000,000	4,878,000	
O & Y Reit	-	-	-		980,000	10,633,000	13,818,000	
Retirement Residences Reit	650,000	6,588,110	5,687,500		641,700	6,510,727	6,609,510	
Royal Host Reit	-	-	-		1,245,369	7,364,165	6,289,113	
Summit Reit	220,000	3,168,000	5,405,400		520,000	7,488,000	9,370,400	
		29,082,996	32,744,200	11.0%		44,325,400	51,407,133	17.1%

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Power Generation Investments								
Algonquin Power Income Fund	-	-	-	350,000	3,426,885	3,717,000		
Clean Power Income Fund	-	-	-	435,000	4,527,433	3,018,900		
Countryside Power Income Fund	520,000	5,104,373	4,591,600	461,300	4,586,010	4,267,025		
TransAlta Power L.P.	-	-	-	336,800	3,061,512	3,448,832		
		5,104,373	4,591,600	1.5%	15,601,840	14,451,757	4.8%	
Pipeline/Energy Investments								
CCS Income Trust	-	-	-	185,000	2,424,179	8,127,050		
Energy Savings Income Fund	-	-	-	600,000	3,833,040	11,550,000		
Heating Oil Partners Income Fund	-	-	-	439,000	4,390,000	3,138,850		
Inter Pipeline Fund	-	-	-	550,000	3,699,900	5,038,000		
					14,347,119	27,853,900	9.3%	
MYDAS Fund - repurchased units to be cancelled	2,100	31,038	30,702	0.1%	-	-	-	-
Investments		215,434,114	256,968,418	86.1%		215,176,981	269,995,160	89.7%
Cash and Term Deposits		41,517,421	41,517,421	13.9%		30,987,578	30,987,578	10.3%
Total		\$ 256,951,535	\$ 298,485,839	100.0%		\$ 246,164,559	\$ 300,982,738	100.0%

All portfolio holdings are trust units, except the following: Medical Facilities Corporation – income participating security;
New Flyer Industries Inc. – income deposit security; TransAlta Power L.P. – LP units; Inter Pipeline Fund – Class A LP units.

Notes to Financial Statements

December 31, 2005 and 2004

1. STRUCTURE OF THE FUND

MYDAS Fund (the “Fund” or “MYDAS”) is a closed-end investment trust established under the laws of Alberta pursuant to a Declaration of Trust dated as of December 18, 2002 and amended February 14, 2002. The Fund commenced operations upon completion of its initial public offering on February 14, 2002. The term of the Fund continues until June 30, 2007 in accordance with the provisions of the Fund’s Declaration of Trust.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from these estimates. The following is a summary of the significant accounting policies.

(a) Cash and cash equivalents

Cash consists of cash on hand and short term bankers’ acceptances with maturities of less than 90 days on acquisition.

(b) Valuation of investments

Investments are stated at market values based on closing market quotations. Average cost is used to compute realized and unrealized gains or losses on investments. Investment transactions are recorded on the trade date.

(c) Canadian income taxes

The Fund qualified as a unit trust within the meaning of the Income Tax Act (Canada). Provided the Fund distributes to its unitholders its net income for tax purposes, the Fund will not generally be liable for income tax under Part 1 of the Income Tax Act (Canada). As all taxable income was allocated to the unitholders in 2005 and 2004, no provision for income taxes has been made in these financial statements.

(d) Investment income

Dividend income is recorded on the ex-dividend date, interest and other income is recognized as earned and distribution income is recorded on the ex-distribution date. Capital gains and losses are recognized on the trade date.

(e) Financial instruments

The fair values of the Fund’s financial instruments which are comprised of cash and term deposits, accounts receivable, prepaid expenses, revenue receivable, accounts payable and accrued liabilities and distributions payable approximate their carrying amount due to the short-term maturity of these instruments.

3. UNITHOLDERS' CONTRIBUTION

Authorized

The authorized capital of the Fund consists of an unlimited number of trust units which are transferable non-redeemable units of beneficial interest.

Issued and outstanding	2005		2004	
	Number	Amount	Number	Amount
Trust units – beginning of year	19,834,658	\$ 234,010,328	20,164,192	\$ 238,397,332
Issued for services (note 4)	41,644	605,654	235,256	3,145,289
Issued under DRIP	85,037	1,304,789	87,004	1,223,803
Unit distribution and consolidation	–	4,554,065	–	–
Repurchase of units	(962,374)	(14,076,860)	(651,794)	(8,756,096)
Trust units – end of year	18,998,965	\$ 226,397,976	19,834,658	\$ 234,010,328

On November 15, 2005, the trust units of the Fund were split on a 2:1 basis. All comparative data has been adjusted to reflect this unit split. The weighted average number of units outstanding in 2005 was 19,434,627 (2004 – 19,912,970 units). MYDAS declared a special unit distribution of \$0.2397 per unit to unitholders of record on December 31, 2005, which was payable in units of the Fund. The unit distribution was immediately consolidated into the Fund's previously issued and outstanding units.

The Fund has a mandatory repurchase program whereby units offered for sale at a discount to the Fund's net asset value per unit of greater than 5% are repurchased for cancellation, subject to a maximum of 1.25% of the total number of units outstanding at the beginning of each calendar quarter. During 2005, MYDAS repurchased 962,374 units under this program at an average cost of \$14.63 per unit (2004 – 651,794 units at an average cost of \$13.43 per unit).

Unitholders of MYDAS can acquire additional units by participating in the Distribution Reinvestment Plan ("DRIP"). The DRIP enables unitholders to reinvest their monthly distributions in additional units of MYDAS at the 5 day weighted average market price of the Fund's units. In 2005, 85,037 units (2004 – 87,004 units) were issued under the DRIP.

4. ADMINISTRATIVE AND INVESTMENT MANAGER FEES/DIRECTORS' FEES

MYDAS Management Inc. ("MMI") is the administrator of the Fund and Bloom Investment Counsel, Inc. is the investment manager of the Fund. Pursuant to the administrative services and investment management agreements, aggregate administrative and investment management fees are based upon 1.1% of the aggregate of the average weekly net asset value of the Fund payable monthly in arrears. Effective March 2005, the Fund commenced paying the management fees in cash rather than units. During 2005, the Fund issued 37,428 units and paid cash fees of \$2,954,810 recording a total expense of \$3,535,982 (2004 – 230,556 units for a total expense of \$3,298,574) in respect of the administrative and investment management fees during the period. The administrative services agreement also provides for the reimbursement of certain expenses incurred by the administrator during the performance of its duties. As at December 31, 2005, included in accounts receivable were amounts owed from MMI of \$96,366 (2004 - \$102,929).

Directors of MMI received a total of 4,216 units in 2005 (2004 – 4,700 units) as payment for their annual retainers.

5. TRAILER FEE

MYDAS pays a trailer fee to investment dealers calculated and payable quarterly in arrears at an annual rate of 0.40% of the net asset value of the Fund held by unitholders in accounts with investment dealers. During 2005, the Fund recorded an expense of \$1,188,198 (2004 - \$1,123,771) relating to the trailer fee.

6. INVESTMENTS

The net realized gain on the sale of investments was determined as follows:

	2005	2004
Net proceeds from the sale of securities	\$ 167,566,313	\$ 54,428,760
Less cost of securities sold:		
Investments at cost – beginning of year	215,176,981	199,686,957
Investments purchased during year	143,061,826	59,619,975
Investments at cost – end of year	(215,434,114)	(215,176,981)
Cost of investments disposed of during year	142,804,693	44,129,951
Net realized gain on sale of investments	\$ 24,761,620	\$ 10,298,809

7. DISTRIBUTIONS

The Fund pays out monthly cash distributions currently at \$0.11 per unit effective for the December 31, 2005 payment based upon cash distributions received by the Fund less estimated expenses. In 2005 and 2004, the Fund also distributed a portion of its realized capital gains in order to supplement distributions. In addition, the Fund declared a special unit distribution of \$0.2397 per unit at December 31, 2005 with immediate consolidation of the units such that the number of units remains unchanged.

	2005	2004
Net investment income for the year	\$ 23,169,757	\$ 19,391,101
Add fees paid by issuance of trust units	605,655	3,145,289
Capital distributed	511,774	2,282,895
Cash distributions	24,287,186	24,819,285
Special unit distribution	4,554,064	—
Total distributions	\$ 28,841,250	\$ 24,819,285
Cash distributions per unit	\$ 1.2540	\$ 1.2480
Special unit distribution per unit	0.2397	—
Total distributions per unit	\$ 1.4937	\$ 1.2480

8. BROKER COMMISSIONS

The Fund paid commissions to brokers of \$441,773 in 2005 (2004 – \$169,317) in relation to the purchase and sale of investments.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for 2005.

Corporate Information

Administrators

Citadel Diversified Management Ltd.
Citadel S1 Management Ltd.
Citadel TEF Management Ltd.
Citadel CPRT Management Ltd.
MYDAS Management Inc.
Citadel Multi-Sector Management Inc.
Citadel Series Management Ltd.
Citadel IG Management Ltd.
Equity Lift Management Ltd.
N.A. Energy Management Inc.
Stable Yield Management Inc.
Sustainable PE Management Inc.
Equal Weight Management Ltd.
Suite 3500, 350 - 7th Avenue S.W.
Calgary, Alberta T2P 3N9
Telephone: (403) 261-9674
Toll Free: 1 877 261-9674
Fax: (403) 261-8670
Website: www.citadelfunds.com
Email: info@citadelfunds.com

Directors and Officers

Harold P. Milavsky - Chairman of the Board
Paul L. Waitzer - Director
Doug D. Baldwin - Director
Kent J. MacIntyre - Director
James T. Bruvall - Director and Chief Executive Officer
Darren K. Duncan - Chief Financial Officer

Investment Manager

(CTD.un, SDL.un, CHF.un, CRT.un, MYF.un,
CMS.un, SRC.un, CIF.un and CSR.un)
Bloom Investment Counsel, Inc.
Suite 1710, 150 York Street
Toronto, Ontario M5H 3S5

Investment Manager

(EPF.un and SPU.un)
Galileo Equity Management Inc.
161 Bay Street, Suite 4730
Toronto, Ontario M5J 2S1

Rebalancing Advisor

(IEP.un and EQW.un)
Shaunessy Investment Counsel
Suite 504, 933-17th Avenue S.W.
Calgary, Alberta T2T 5R6

Trustee

Computershare Trust Company of Canada
Sixth Floor
530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8

Custodian

CIBC Mellon Global Securities Services Company
320 Bay Street, 6th Floor
Toronto, Ontario M5H 4A6

Legal Counsel

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4300 Bankers Hall West
888 - 3rd Street S.W.
Calgary, Alberta T2P 5C5

Auditors

PricewaterhouseCoopers LLP
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Calgary, Alberta T2P 5L3

Stock Exchange Listings

The Toronto Stock Exchange
Citadel Diversified Investment Trust units: **CTD.un**
Citadel S-1 Income Trust Fund units: **SDL.un**
Citadel HYTES Fund units: **CHF.un**
Citadel SMaRT Fund units: **CRT.un**
MYDAS Fund units: **MYF.un**
Citadel Multi-Sector Income Fund units: **CMS.un**
Series S-1 Income Fund units: **SRC.un**
Citadel Income & Growth Fund units: **CIF.un**
Income & Equity Index Participation Fund units: **IEP.un**
Energy Plus Income Trust units: **EPF.un**
Citadel Stable S-1 Income Fund units: **CSR.un**
Sustainable Production Energy Trust units: **SPU.un**
Equal Weight Plus Fund units: **EQW.un**



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